
HOUSE CONCURRENT RESOLUTION

CONVENING A DIGITAL GAMING ADVISORY GROUP TO ASSESS AND MONITOR
GAMBLING PRACTICES IN THE DIGITAL GAMING INDUSTRY.

1 WHEREAS, in recent years, gaming industry developers have
2 begun to employ variable reward mechanisms known as "loot
3 boxes," which operate similarly to slot machines, in digital
4 games marketed to adults and children of all ages, through which
5 players can pay real money for chances to win randomized virtual
6 items of varying value; and

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8 WHEREAS, digital and physical variable reward mechanisms
9 such as casino slot machines and digital loot boxes are designed
10 to exploit human psychology to cause repetitive consumption,
11 which maximizes player spending; and

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13 WHEREAS, on numerous occasions, studies have found negative
14 psychological impacts from extended exposure to exploitive
15 variable reward mechanisms, which can lead to addiction and
16 cognitive development problems in particularly vulnerable youth,
17 leading countries such as China, Belgium, the Netherlands, and
18 others to begin to regulate or ban variable reward mechanisms
19 such as digital loot boxes in video games; and

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21 WHEREAS, in the United States, departments and agencies
22 heavily regulate exploitive variable reward mechanisms in casino
23 games to minimize negative impacts on mental health,
24 particularly in developing youth, and ensure transparency and
25 basic consumer protections by requiring strict disclosure to
26 consumers of the odds of winning possible rewards contained
27 within; and

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29 WHEREAS, there is currently no requirement or oversight for
30 digital game developers to disclose to consumers the odds of
31 winning any rewards within variable reward mechanisms such as



1 digital loot boxes, and it has already been discovered that in
2 some games, the odds of winning particular items frequently
3 advertised to consumers were, deceptively, just fractions of one
4 percent; and

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6 WHEREAS, there is no requirement for digital game
7 developers and publishers to disclose to consumers the specific
8 inclusion of variable reward mechanisms such as digital loot
9 boxes in games being sold to the public, making it impossible
10 for parents to know which games contain these mechanisms and
11 which games do not; and

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13 WHEREAS, when called upon to inform parents and include
14 specific disclosures of which games contain variable reward
15 mechanisms such as digital loot boxes, the game industry
16 responded by hiding their inclusion behind a blanket disclosure
17 on all games which contain any type of in-game purchases, making
18 it impossible for parents to distinguish between games that
19 allow purchases of regular in-game content and those that
20 include variable reward mechanisms such as digital loot boxes;
21 and

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23 WHEREAS, through regular online updates that often occur
24 long after the purchase of a game, game developers and
25 publishers have been inserting variable reward mechanisms such
26 as digital loot boxes into games without meaningful player or
27 parental knowledge; and

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29 WHEREAS, in 2017, game developers filed patents to further
30 expand game design by raising or lowering the odds of winning
31 items within exploitive variable reward mechanisms such as
32 digital loot boxes to match the likelihood that specific players
33 will continue to spend money, potentially lowering the odds of
34 winning valuable items for players identified as likely to
35 continue purchasing chances to win; and

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37 WHEREAS, seeing opportunities to further compel in-game
38 purchases, game developers have begun designing games to
39 increase difficulty and time required to achieve in-game
40 objectives and increasingly stack players of mismatched strength
41 against one another in multiplayer games to encourage greater
42 numbers of consumers to purchase variable reward mechanisms such
43 as digital loot boxes to win items that would more easily enable
44 successful play; and



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2 WHEREAS, unlike traditional games of chance, baseball
3 cards, and other randomized novelties, video games require
4 active, lengthy participation during which consumers are exposed
5 to the psychological manipulation techniques employed by
6 exploitive variable reward mechanisms such as digital loot boxes
7 that aggressively compel spending and can lead to psychological
8 and developmental harm; and
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10 WHEREAS, the American Psychological Association has
11 identified "internet gaming disorder" in the Diagnostic and
12 Statistical Manual of Mental Disorders as an emerging diagnosis
13 that warrants further study; and
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15 WHEREAS, the World Health Organization has identified
16 "gaming disorder" alongside gambling as a pattern of gaming
17 behavior that appreciably increases the risk of harmful physical
18 or mental health and included "hazardous gaming" as a threat to
19 public health in the latest draft of its International
20 Compendium of Diseases; and
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22 WHEREAS, with no requirements for disclosure, transparency,
23 or basic protection against exploitive practices, countless
24 families, individuals, and particularly vulnerable youth have
25 been harmed by exposure to the variable reward mechanisms such
26 as digital loot boxes now aggressively marketed to players of
27 all ages on personal computers, gaming consoles, and the mobile
28 phones in people's pockets; now, therefore,
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30 BE IT RESOLVED by the House of Representatives of the
31 Thirtieth Legislature of the State of Hawaii, Regular Session of
32 2019, the Senate concurring, that a Digital Gaming Advisory
33 Group is convened to examine, assess, and monitor gambling
34 practices in digital games and their potential impacts on the
35 public; and
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37 BE IT FURTHER RESOLVED that the advisory group shall
38 examine, assess, and monitor evolving gambling practices in
39 digital video games that may present a potential public health
40 or consumer risk, potential negative impacts to the public,
41 provide for education and awareness, and make recommendations;
42 and
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1 BE IT FURTHER RESOLVED that the advisory group shall
2 consist of the Chairs of the House and Senate standing
3 committees with subject matter jurisdiction over Judiciary and
4 shall include the Attorney General or designee, the Executive
5 Director of the Office of Consumer Protection or designee,
6 Director of Health or designee, an individual from a game
7 development company, an individual representing parents, and
8 others with relevant oversight or experience invited by the
9 advisory group's co-chairs, all of whom shall serve without
10 compensation; and

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12 BE IT FURTHER RESOLVED that the House and Senate standing
13 committees with subject matter jurisdiction over Judiciary shall
14 convene the first meeting of the advisory group; and

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16 BE IT FURTHER RESOLVED that the members of the advisory
17 group shall select its chairs; and

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19 BE IT FURTHER RESOLVED that the Legislative Reference
20 Bureau is requested to provide final drafting support to the
21 advisory group for its reports; and

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23 BE IT FURTHER RESOLVED that the advisory group is requested
24 to submit a report of any findings and recommendations as may be
25 necessary, no later than twenty days prior to the convening of
26 each Regular Session; and

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28 BE IT FURTHER RESOLVED that the advisory group shall cease
29 to exist on June 30, 2021; and

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31 BE IT FURTHER RESOLVED that certified copies of this
32 Concurrent Resolution be transmitted to the Governor, Attorney
33 General, Director of Commerce and Consumer Affairs, Director of
34 Health, and Director of the Legislative Reference Bureau.

